

Mr. Ted C. Feigenbaum
President and Chief Executive Officer
New Hampshire Yankee Division
Public Service Company of New Hampshire
Post Office Box 300
Seabrook, New Hampshire 03874

Dear Mr. Feigenbaum:

SUBJECT: ISSUANCE OF AMENDMENT NO. 10 TO FACILITY OPERATING LICENSE NO.
NPF-86 - SEABROOK STATION, UNIT NO. 1 (TAC NO. M79077)

The Commission has issued the enclosed Amendment No. 10 to Facility Operating License No. NPF-86 for the Seabrook Station, Unit No. 1. This amendment is in response to your application dated November 13, 1990, as supplemented by letters dated January 15, 1991, January 22, 1991, April 9, 1991, June 12, 1991, September 16, 1991, December 13, 1991, January 22, 1992, January 30, 1992, and February 14, 1992. In addition, two letters dated May 13, 1992 were received from Northeast Utilities providing information requested by NRC.

This amendment revises the Seabrook Station, Unit No. 1 operating license to reflect the transfer of operations and maintenance of the Seabrook Station, Unit No. 1 from the Public Service Company of New Hampshire (New Hampshire Yankee Division) to North Atlantic Energy Service Company (NAESCO), a wholly owned subsidiary of Northeast Utilities (NU). Public Service Company of New Hampshire (PSNH) will remain as a co-owner of the facility while the staff completes its review of a separate amendment proposal to transfer the 35.6% ownership share from PSNH to North Atlantic Energy Corporation (NAEC), another wholly-owned subsidiary of NU.

A copy of our Safety Evaluation is also enclosed. Notice of Issuance will be included in the Commission's biweekly Federal Register notice.

Sincerely,

Gordon Edison, Senior Project
Manager Project Directorate I-3
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Enclosures:

1. Amendment No. 10 to License No. NPF-86
2. Safety Evaluation

cc w/enclosures: See next page

*See previous concurrence

OFFICE	LA:PDI-3	PM:PDI-3 <i>SEE</i>	OGC	LHFB*	(A)D:PDI-3
NAME	MRushbrook	GEdison:sk	EReis	JWermiel*	VNerses
DATE	5/17/92	5/27/92	/ /92	8/08/91	/ /92

OFFICIAL RECORD COPY / DOCUMENT NAME: SEM70977.AMD

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AMENDMENT NO. 10 TO NPF-86 SEABROOK STATION DATED May 29, 1992

DISTRIBUTION:

Docket File 50-443
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I. Dinitz - 12E4



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

May 29, 1992

Docket No. 50-443

Mr. Ted C. Feigenbaum
President and Chief Executive Officer
New Hampshire Yankee Division
Public Service Company of New Hampshire
Post Office Box 300
Seabrook, New Hampshire 03874

Dear Mr. Feigenbaum:

SUBJECT: ISSUANCE OF AMENDMENT NO. 10 TO FACILITY OPERATING LICENSE NO.
NPF-86 - SEABROOK STATION, UNIT NO. 1 (TAC NO. M79077)

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This amendment revises the Seabrook Station, Unit No. 1 operating license to reflect the transfer of operations and maintenance of the Seabrook Station, Unit No. 1 from the Public Service Company of New Hampshire (New Hampshire Yankee Division) to North Atlantic Energy Service Company (NAESCO), a wholly owned subsidiary of Northeast Utilities (NU). Public Service Company of New Hampshire (PSNH) will remain as a co-owner of the facility while the staff completes its review of a separate amendment proposal to transfer the 35.6% ownership share from PSNH to North Atlantic Energy Corporation (NAEC), another wholly-owned subsidiary of NU.

The transfer of any right under the operating license is subject to NRC approval pursuant to 10 CFR 50.80(a). Such approval is given in the enclosed Order Approving Transfer of License, which is being forwarded to the Office of the Federal Register for publication.

Mr. Ted C. Feigenbaum

- 2 -

A copy of our Safety Evaluation is also enclosed. Notice of Issuance will be included in the Commission's biweekly Federal Register notice.

Sincerely,

Original signed by Gordon Edison

Gordon Edison, Senior Project
Manager Project Directorate I-3
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Enclosures:

1. Amendment No. 10 to License No. NPF-86
2. Safety Evaluation
3. Order

cc w/enclosures: See next page

*See previous concurrence

OFFICE	LA:PDI-3	PM:PDI-3	OGC	LHFB*	(A)D:PDI-3
NAME	MRushbrook	GEdison:sk	EReis	JWermiel*	VNerses
DATE	5/29/92	5/29/92	5/29/92	8/08/91	5/29/92

OFFICIAL RECORD COPY
DOCUMENT NAME: SEM70977.AMD

5/29/92

Mr. Ted C. Feigenbaum

Seabrook

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c/o Northeast Utilities Service
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ATTN: John F. Opeka, Executive
Vice President

Mr. Ted C. Feigenbaum

Seabrook

cc:

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Hartford, Connecticut 06141
ATTN: John F. Opeka, Executive
Vice President



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, ET AL.*

NORTH ATLANTIC ENERGY SERVICE COMPANY

DOCKET NO. 50-443

SEABROOK STATION, UNIT NO. 1

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 10
License No. NPF-86

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
 - A. The application for amendment filed by the Public Service Company of New Hampshire (the licensee), acting for itself and as agent and representative of the 11 other utilities listed below and hereafter referred to as licensees, dated November 13, 1990 and supplemented by letters dated January 15, 1991, January 22, 1991, April 9, 1991, June 12, 1991, and September 16, 1991, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance: (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and

*Public Service Company of New Hampshire was authorized to act as agent for the: Canal Electric Company, The Connecticut Light and Power Company, EUA Power Corporation, Hudson Light & Power Department, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, New Hampshire Electric Cooperative, Inc., Taunton Municipal Light Plant, The United Illuminating Company, and Vermont Electric Generation and Transmission Cooperative, Inc., and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility. By this amendment the North Atlantic Energy Service Co. will become that agent.

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- E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, Facility Operating License No. NPF-86 is hereby amended to read as follows:*
- a) The Title on page 1 of the license shall read:
North Atlantic Energy Service Co. et al.*
Docket No. 50-443
Seabrook Station, Unit No. 1
Facility Operating License
 - b) Paragraph 1.A of the license shall read:

The application for a license filed by the Public Service Company of New Hampshire, acting for itself and as agent and representative of the utilities listed in the footnote below, and for the North Atlantic Energy Service Company (NAESCO), all of whom are hereafter referred to as licensees, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I; and all required notifications to other agencies or bodies have been duly made;
 - c) Paragraph 1.E of the license shall read:

"North Atlantic Energy Service Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;"
 - d) The footnote on page 1 of the license shall read:

"North Atlantic Energy Service Company (NAESCO) is authorized to act as agent for the: Public Service Company of New Hampshire, Canal Electric Company, The Connecticut Light and Power Company, EUA Power Corporation, Hudson Light & Power Department, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, New Hampshire Electric Cooperative, Inc., Taunton Municipal Light Plant, The United Illuminating Company, and Vermont Electric Generation and Transmission Cooperative, Inc., and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility."

*Pages 1, 2, 3, 3a, 3b, 4, 5 and 6 are attached, for convenience, for the composite license to reflect these changes. Please remove pages 1, 2, 3, 3a, 4, 5 and 6 of the existing license and replace with the attached pages.

e) Paragraph 2 shall read as follows:

"Based on the foregoing findings and the Commission's Memorandum and Order, CLI-90-03, (dated March 1, 1990), Facility Operating License NPF-86, issued to the licensees, is hereby amended to read as follows:"

f) Paragraph 2.B.(1) shall be modified by substituting "North Atlantic Energy Service Company" ("NAESCO") for "Public Service Company of New Hampshire" ("PSNH").

g) Paragraphs 2.B.(3), 2.B.(4), 2.B.(5), 2.B.(6), 2.C.(1), 2.C.(2) and 2.C.(3) shall each be modified by substituting "NAESCO" for "PSNH".

h) Paragraph 2.C.(4) shall be added as a new condition. Paragraph 2.C.(4) reads as follows:

(4) Transfer of Managing Authority

(a) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, at least 60 days in advance, of any change in the senior site official for the Seabrook facility, or in the principal duties of such official, unless such change is due to unforeseen circumstances. In such circumstances, the licensee shall inform the Director, NRR, of such change as soon as it can reasonably do so.

(b) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the Joint Owners shall provide to the Director, NRR, promptly any report of the Oversight Committee or any report of the Operator or of any contractor or consultant which has been provided to the Joint Owners relating to: plant design, equipment or personnel performance or plant operations that could have potentially adverse effects on facility safety; any substantive programmatic or procedural changes to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; changes to any compensation incentive program which could have potentially adverse effects on facility safety; and any changes to the annual operations and maintenance and capital expenditure budgets. These reporting requirements are in addition to other requirements of NRC regulations.

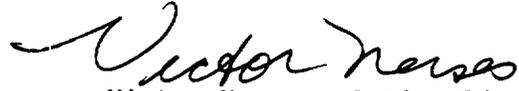
- (c) The oversight reports in 2.C.(4)(b) shall be followed promptly by a report to the Director, NRR, by the Operator, reflecting the Operator's assessment of such report and proposed corrective action, if any. Submission of the Operator's assessment and proposed corrective action shall not delay submission of the report called for by license condition 2.C.(4)(b). A review and assessment of the Operator's report by the Joint Owners shall be provided to the Director, NRR, together with any corrective actions and disposition of the Operator's report.
- (d) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, of any changes to certain sections of the Joint Ownership Agreement and the Managing Agent Operating Agreement. These sections are: Sections 3.c, 7.a, 7.e, 8, 10, 11 and 16.b, as described in Appendix 1 of the Settlement Agreement dated as of July 19, 1990 between Northeast Utilities Service Company and New England Power Company.
 - i) Paragraph 2.D., 2.E., 2.F. and 2.G. shall each be modified by substituting "NAESCO" for "PSNH" wherever the latter appears.
 - j) Paragraph 2.I shall be renumbered as 2.J and a new condition is added as 2.I.
 - k) The final page of the license shall be marked "Revised: May 29, 1992."

I. Marketing of Energy (Amendment No. 10, Section 3.0 of SER)

NAESCO is prohibited from marketing or brokering power or energy from the plant. In addition, all licensees other than NAESCO are responsible and accountable for the actions of their agent to the extent said agent's actions effect the marketing or brokering of power and energy from Seabrook Station, Unit No. 1.

3. This license amendment is effective as of its date of issuance, and shall be implemented within 180 days.

FOR THE NUCLEAR REGULATORY COMMISSION



Victor Nerses, Acting Director
Project Directorate I-3
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Attachment:

Pages 1, 2, 3, 3a, 3b, 4, 5
and 6 of Facility Operating License NPF-86

Date of Issuance: May 29, 1992

ATTACHMENT TO LICENSE AMENDMENT NO. 10

TO FACILITY OPERATING LICENSE NO. NPF-86

DOCKET NO. 50-443

Replace the following pages of the License with the attached pages. The revised pages contain vertical lines indicating the areas of change.

Remove Pages

Insert Pages

1

1

2

2

3

3

3a

3a

3b

4

4

5

5

6

6



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

NORTH ATLANTIC ENERGY SERVICE COMPANY, ET AL.*

DOCKET NO. 50-443

SEABROOK STATION, UNIT NO. 1

FACILITY OPERATING LICENSE

License No. NPF-86

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for a license filed by the Public Service Company of New Hampshire, acting for itself and as agent and representative of the utilities listed in the footnote below, and for the North Atlantic Energy Service Company (NAESCO), all of whom are hereafter referred to as licensees, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I; and all required notifications to other agencies or bodies have been duly made;
 - B. Construction of the Seabrook Station, Unit No. 1 (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-135 and the application, as amended, the provisions of the Act, and the regulations of the Commission;
 - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the regulations of the Commission (except as exempted from compliance in Section 2.D below);
 - D. There is reasonable assurance: (i) that the activities authorized by this operating license can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations set forth in 10 CFR Chapter I (except as exempted from compliance in Section 2.D below);

*North Atlantic Energy Service Company (NAESCO) is authorized to act as agent for the: Public Service Company of New Hampshire, Canal Electric Company, The Connecticut Light and Power Company, EUA Power Corporation, Hudson Light & Power Department, Massachusetts Municipal Wholesale Electric Company, Montaup Electric Company, New England Power Company, New Hampshire Electric Cooperative, Inc., Taunton Municipal Light Plant, The United Illuminating Company, and Vermont Electric Generation and Transmission Cooperative, Inc., and has exclusive responsibility and control over the physical construction, operation and maintenance of the facility.

- E. North Atlantic Energy Service Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
 - F. The licensees have satisfied the applicable provisions of 10 CFR 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. After weighing the environmental, economical, technical, and other benefits of the facility against environmental and other costs and considering available alternatives, the issuance of Facility Operating License No. NPF-86 subject to the conditions for protection of the environment set forth in the Environmental Protection Plan attached as Appendix B, is in accordance with 10 CFR 51 of the Commission's regulations and all applicable requirements have been satisfied; and
 - I. The receipt, possession and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR 30, 40, and 70.
2. Based on the foregoing findings and the Commission's Memorandum and Order, CLI-90-03 (March 1, 1990), Facility Operating License No. NPF-67 is superseded by Facility Operating License No. NPF-86, issued to the licensees, is hereby amended to read as follows:
- A. This license applies to the Seabrook Station, Unit 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by the licensees. The facility is located in Seabrook Township, Rockingham County, on the southeast coast of the State of New Hampshire, and is described in the licensees' "Final Safety Analysis Report," as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
 - (1) North Atlantic Energy Service Company (NAESCO), pursuant to Section 103 of the Act and 10 CFR 50, to possess, use and operate the facility at the designated location in Rockingham County, New Hampshire, in accordance with the procedures and limitations set forth in this license;
 - (2) The licensees to possess the facility at the designated location in Rockingham County, New Hampshire, in accordance with the procedures and limitations set forth in this license;

- (3) NAESCO, pursuant to the Act and 10 CFR 70, to receive, possess, and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Final Safety Analysis Report, as supplemented and amended;
- (4) NAESCO, pursuant to the Act and 10 CFR 30, 40, and 70, to receive, possess, and use at any time any byproduct, source, and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
- (5) NAESCO, pursuant to the Act and 10 CFR 30, 40, and 70, to receive, possess, and use in amounts as required any byproduct, source, or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components;
- (6) NAESCO, pursuant to the Act and 10 CFR 30, 40, and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operation of the facility authorized herein; and
- (7) The United Illuminating Company (UI) is authorized to transfer any portion of its 17.5% interest in Seabrook Station, Unit 1 and rights with respect to its interest in the Seabrook common facilities (up to and inclusive of \$250 million of aggregate appraised value) to certain equity investors and at the same time to lease back from such purchasers such interests and rights transferred in the Seabrook Station, Unit 1 facility. The expected initial term of the lease is for approximately 32 years, subject to the rights of renewal. Such sale and leaseback transactions are subject to the condition that lessors and anyone else who may acquire an interest under these transactions are prohibited from exercising directly or indirectly any control over (i) Seabrook Station, Unit 1, (ii) power and energy produced by Seabrook Station, Unit 1, or (iii) the licensees of Seabrook Station, Unit 1. Further, any rights acquired under this authorization may be exercised only in compliance with and subject to the requirements and restrictions of this operating license, the Atomic Energy Act of 1954, as amended, and the Commission's regulations. For purposes of this condition the limitations in 10 CFR 50.81, as now in effect and as may be subsequently amended, are fully applicable to the lessor and any successor in interest to that lessor as long as the license for Seabrook Station, Unit 1 remains in effect.

Further, the licensees are also required to notify the NRC in writing prior to any change in: (i) the terms or conditions of any lease agreements executed as part of these transactions; (ii) the Seabrook Operating Agreement, or (iii) the existing property insurance coverage for Seabrook Station, Unit 1. In addition, the licensees are required to notify the NRC of any action by a lessor or others that may have an effect on the safe operation of the facility.

- 2C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter 1 and is subject to all applicable provisions of the Act and to the rules, regulations, and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

NAESCO is authorized to operate the facility at reactor core power levels not in excess of 3411 megawatts thermal (100% of rated power).

(2) Technical Specifications

The Technical Specifications contained in Appendix A, as revised through Amendment No. , and the Environmental Protection Plan contained in Appendix B are incorporated into Facility License No. NPF-86. NAESCO shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

(3) Human Factors Engineering (Section 18, SSER 7)*

Before startup following the first refueling outage, NAESCO shall resolve the following remaining Safety Parameter Display Systems issues:

- (a) Perform system availability calculations including Reactor Vessel Level Indication System and Radiation Data Management System and provide a report to the staff.
- (b) Perform system load test under heavily loaded plant conditions and provide a report of the evaluation to the staff.

*The parenthetical notation denotes the section of the Safety Evaluation Report (SER) and/or its supplements (SSER) wherein the license condition is discussed.

(4) Transfer of Managing Authority

- (a) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, at least 60 days in advance, of any change in the senior site official for the Seabrook facility, or in the principal duties of such official, unless such change is due to unforeseen circumstances. In such circumstances, the licensee shall inform the Director, NRR, of such change as soon as it can reasonably do so.
- (b) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the Joint Owners shall provide to the Director, NRR, promptly any report of the Oversight Committee or any report of the Operator or of any contractor or consultant which has been provided to the Joint Owners relating to: plant design, equipment or personnel performance or plant operations that could have potentially adverse effects on facility safety; any substantive programmatic or procedural changes to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; changes to any compensation incentive program which could have potentially adverse effects on facility safety; and any changes to the annual operations and maintenance and capital expenditure budgets. These reporting requirements are in addition to other requirements of NRC regulations.
- (c) The oversight reports in 2.C.(4)(b) shall be followed promptly by a report to the Director, NRR, by the Operator, reflecting the Operator's assessment of such report and proposed corrective action, if any. Submission of the Operator's assessment and proposed corrective action shall not delay submission of the report called for by license condition 2.C.(4)(b). A review and assessment of the Operator's report by the Joint Owners shall be provided to the Director, NRR, together with any corrective actions and disposition of the Operator's report.
- (d) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall

inform the Director, NRR, of any changes to certain sections of the Joint Ownership Agreement and the Managing Agent Operating Agreement. These sections are: Sections 3.c, 7.a, 7.e, 8, 10, 11 and 16.b, as described in Appendix 1 of the Settlement Agreement dated as of July 19, 1990 between Northeast Utilities Service Company and New England Power Company.

D. Exemptions

NAESCO is exempted from the Section III.D.2(b)(ii) containment airlock testing requirements of Appendix J to 10 CFR 50, because of the special circumstances described in Section 6.2.6 of SER Supplement 5 and authorized by 10 CFR 50.12(a)(2)(ii) and (iii) (51 FR 37684 October 23, 1986).

NRC Materials License No. SNM-1963, issued December 19, 1985, granted an exemption pursuant to 10 CFR 70.24 with respect to requirements for criticality alarms. NAESCO is hereby exempted from provisions of 10 CFR 70.24 insofar as this section applies to the storage and handling of new fuel assemblies in the new fuel storage vault, spent fuel pool (when dry), and shipping containers.

These exemptions, authorized by law, will not present an undue risk to the public health and safety and are consistent with the common defense and security. These exemptions are hereby granted pursuant to 10 CFR 50.12. With the granting of these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.

E. Physical Security

NAESCO shall fully implement and maintain in effect all provisions of the physical security, guard training and qualification, and safeguards contingency plans, previously approved by the Commission and all amendments and revisions to such plans made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p) including amendments and revisions made pursuant to provisions of the Miscellaneous Amendments and Search Requirements of 10 CFR 73.55. The plans which contain Safeguards Information protected under 10 CFR 73.21, are entitled: "Seabrook Station Physical Security Plan," with revisions submitted through June 9, 1988; "Seabrook Station Security Training and Qualification Plan," with revisions submitted through November 4, 1987; and "Seabrook Station Safeguards Contingency Plan," with revisions submitted through May 19, 1987. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

F. Fire Protection

NAESCO shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report, the Fire Protection Program Report, and the Fire Protection of Safe Shutdown Capability Report for the facility, as supplemented and amended, and as approved in the Safety Evaluation Report, dated March 1983; Supplement 4, dated May 1986; Supplement 5, dated June 1986; Supplement 6, dated October 1986; Supplement 7, dated October 1987; and Supplement 8, dated May 1989 subject to the following provisions: NAESCO may make changes to the approved fire protection program without prior approval of the Commission, only if those changes would not adversely affect the ability to achieve and maintain shutdown in the event of a fire.

G. Reporting to the Commission

Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, NAESCO shall report any violations of the requirements contained in Section 2.C of this license in the following manner: Initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System, with written follow-up within 30 days in accordance with the procedures described in 10 CFR Part 50.73(b), (c), and (e).

H. Financial Protection

The licensees shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.

I. Marketing of Energy (Amendment No. 10 , Section 3.0 of SER)

NAESCO is prohibited from marketing or brokering power or energy from the plant. In addition, all licensees other than NAESCO are responsible and accountable for the actions of their agent to the extent said agent's actions effect the marketing or brokering of power and energy from Seabrook Station, Unit 1.

J. Effective Date and Expiration

This license is effective as the date of issuance and shall expire at midnight on October 17, 2026.

FOR THE NUCLEAR REGULATORY COMMISSION


Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Attachments/Appendices:

1. Appendix A - Technical Specifications (NUREG-1386)
2. Appendix B - Environmental Protection Plan

Date of Issuance: MAR 15 1990

Revised: May 29, 1992



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
SUPPORTING AMENDMENT NO.10 TO FACILITY OPERATING LICENSE NO. NPF-86

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

SEABROOK STATION, UNIT NO. 1

DOCKET NO. 50-443

1.0 INTRODUCTION

By letter dated November 13, 1990, as supplemented by letters dated January 15, 1991, January 22, 1991, April 9, 1991, June 12, 1991, September 16, 1991, December 13, 1991, January 22, 1992, January 30, 1992, and February 14, 1992, the Public Service Company of New Hampshire (PSNH) submitted a request for an amendment to the Facility Operating License for Seabrook Station, Unit No. 1. In addition, two letters dated May 13, 1992 were received from Northeast Utilities providing information requested by NRC. The proposed amendment involves a change in the Seabrook Station managing agent from New Hampshire Yankee (NH) Division of PSNH to North Atlantic Energy Service Company (NAESCO), a wholly-owned subsidiary of Northeast Utilities (NU). The PSNH portion of ownership of Seabrook (35.6%) will be transferred to another wholly-owned subsidiary (NAEC) of NU, and a separate license amendment has been proposed to accomplish the ownership transfer. The April 9, 1991, June 12, 1991, September 16, 1991, December 13, 1991, January 22, 1992, January 30, 1992, and February 14, 1992, letters and the May 13, 1992, letters from NU provided clarifying information that did not change the proposed action or the initial proposed no significant hazards consideration determination.

2.0 DISCUSSION

Seabrook is a nuclear powered electric generating facility which has been constructed and is being operated on behalf of the licensees, a group of investor-owned and municipal utilities, pursuant to an Agreement for Joint Ownership, Construction and Operation of New Hampshire Nuclear Units, dated May 1, 1973, as amended (the "Joint Ownership Agreement") and certain permits and licenses heretofore issued by the Nuclear Regulatory Commission (NRC). In accordance with the Joint Ownership Agreement, PSNH, an electric utility organized and operating under the laws of New Hampshire, has acted as lead participant and Managing Agent for all the licensees, with responsibility for management, operation and maintenance of Seabrook, which position has been recognized in the Operating License as noted above. Since 1984, PSNH has exercised this authority through its New Hampshire Yankee Division (NH).

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On January 28, 1988, PSNH filed a voluntary petition with the United States Bankruptcy Court, District of New Hampshire (the "Bankruptcy Court") for protection under Chapter 11 of the Bankruptcy Code. After prolonged proceedings, the Bankruptcy Court, on December 28, 1989, approved the Third Amended Plan of Reorganization (the "Amended Plan"). On April 20, 1990, the Bankruptcy Court confirmed this Amended Plan and ordered its implementation.

The Amended Plan involves a two step process by which NU subsidiaries ultimately acquire PSNH's business, after receipt of all necessary regulatory approvals (including NRC approval): the generation and distribution business of PSNH going to one subsidiary of NU; PSNH's ownership interest in the Seabrook facility going to NAEC, another subsidiary of NU; and the Seabrook operational responsibility, currently exercised by NHY, being transferred to NAESCO, a third subsidiary of NU.

PSNH stated that, as a result of the prolonged bankruptcy proceedings which preceded confirmation of the Amended Plan and the on-going regulatory proceedings necessary to implement the Amended Plan, there has been some uncertainty on the part of Seabrook personnel as to their future role. Therefore, NU has stated that in the interest of maintaining the stability of the operating atmosphere at Seabrook and removing any distractions which may be created by the pending regulatory proceedings, the licensees agreed that a prompt transfer of operational control of Seabrook to NAESCO, with minimal impact on current operations, would be in the best interest of the Seabrook project. They have represented that not only would such transfer provide the benefits described above, but it would also constitute a tangible step toward the resolution of the financial and business uncertainties throughout New Hampshire which have been created by the bankruptcy filing of PSNH.

The Amended Plan provides that promptly after NRC approval of this application and issuance of the requested operating license amendment and receipt of all other necessary regulatory approvals, NAESCO will succeed the NHY division of PSNH as managing agent and become responsible for the management, operation and maintenance of Seabrook. These necessary approvals include New Hampshire Public Utilities Commission (PUC) approval of the issuance of common stock by NAESCO as a New Hampshire corporation and utility, approval by the Securities and Exchange Commission (SEC), under the Public Utility Holding Company Act of 1935, of NU's acquisition of NAESCO stock, the Federal Energy Regulatory Commission's approval of the merger of NU and PSNH, and NRC approval of this application by issuance of an operating license amendment. Other regulatory approvals have been given except for that of the SEC which is awaiting NRC action on the license transfer applications.

On July 19, 1990, the Joint Owners entered into an agreement which appoints, subject to NRC approval, NAESCO to be the managing agent and operator of Seabrook as of the "Time of Effectiveness"¹, sets forth their basic understandings on this subject and outlines the provisions to be contained in a subsequent management contract between the Joint Owners and NAESCO, as well as possible changes in the Joint Ownership Agreement.

Until the Time of Effectiveness, PSNH acting through NHY, will continue to be responsible for the management, operation and maintenance of Seabrook.

The July 19, 1990 Agreement provides that NAESCO will become Managing Agent in accordance with Paragraph 36.2 of the Joint Ownership Agreement. It specifically grants to NAESCO, subject to prior receipt of favorable action by the NRC on this amendment proposal, all of the responsibility for day-to-day management, operation and maintenance of Seabrook which the Joint Ownership Agreement and Operating License currently assign to PSNH in its role as agent and representative of the Joint Owners (licensees). Thus, on and after the Time of Effectiveness, NAESCO, as agent for the Licensees, will be responsible for:

- managing, operating and maintaining Seabrook;
- selecting, employing, training and maintaining sufficient personnel to staff Seabrook in accordance with NRC license and regulatory requirements, and providing or causing to be provided any support services for such operations;
- planning for nuclear fuel utilization at Seabrook and procuring on behalf of the Joint Owners the requisite nuclear fuel, including arranging for all stages of uranium processing, fuel design and fabrication and eventual storage, transportation, disposition and/or reprocessing of irradiated nuclear fuel and the disposition of or use of reprocessed material;
- purchasing and maintaining on behalf of the Joint Owners, appropriate levels of inventories of materials, supplies and spare parts required for the operation and maintenance of Seabrook;
- after consultation with the Seabrook Executive Committee to the extent required by the July 19, 1990 Agreement, selecting and retaining consultants and contractors to assist in the performance of NAESCO's responsibilities;

¹The "Time of Effectiveness" is defined in the July 19, 1990 Agreement as 11:59 P.M. on the last day of the calendar month in which the NRC amendment to the Operating License designating NAESCO as the entity qualified to operate Seabrook becomes effective, and all other necessary federal, state and local regulatory, judicial and other approvals have become effective with respect to such designation.

- reporting to the Seabrook Executive Committee and Joint Owners on Seabrook operations and finances (including insurance); and
- taking all other actions necessary in order to keep the Operating License and other necessary regulatory permits in full force and effect.

The licensees contemplate that this transition will be initially accomplished by transferring to NAESCO as of the Time of Effectiveness the existing staff of NHY and all existing authority to administer contracts with respect to Seabrook. This will achieve continuity in the management of Seabrook by allowing NAESCO to initially assume the role of operator of Seabrook with the same staff and contractor support resources that the NRC has previously evaluated and approved in connection with the technical qualifications of PSNH, including the engineering and technical resources supplied under contract by Yankee Atomic Electric Company (YAEC). NU has represented that this will assure Seabrook of the continuing availability of technical expertise for its operation. NAESCO, in the exercise of its management responsibility and discretion, will thereafter have the flexibility of determining how those existing resources can best be integrated with the other resources available to NAESCO, including those from the NU system, in order to carry out its responsibilities with respect to the Operating License.

3.0 EVALUATION

The staff, in making its evaluation, has applied the criteria and review areas required by 10 CFR 50.80 "Transfer of Licenses" as appropriate. The transfer of operation of the facility from the NHY division of PSNH to NAESCO simplified the review in that the NHY personnel currently acting in all areas as nuclear operations personnel will transfer to NAESCO.

Management and Technical Qualifications

Evaluation of the management and technical qualifications was conducted in accordance with the criteria set forth in NUREG-0800, "Standard Review Plan" (SRP) Section 13.1.1, "Management and Technical Support Organization," and Section 13.1.2-13.1.3, "Operating Organization."

In a letter dated April 9, 1991, the licensee stated that a change in the Seabrook Station managing agent will not result in changes to the station's technical support organization. The change in station managing agent will establish relationships with NU and Yankee Atomic Electric Company (YAEC) via the NU subsidiary NAESCO allowing Seabrook to draw upon the experience and expertise of those organizations. The licensee has stated that all NHY employees will become NAESCO employees and that in the long-term (1992-1996) the number of employees is expected to remain close to current levels. Additionally, the licensee has committed that NAESCO will have complete and ultimate responsibility for day-to-day operation of the Seabrook Station. Therefore, based on current plant structure, the staff concludes that the

proposed managing agent, NAESCO, has an acceptable organization and adequate resources to provide technical support for the operation of Seabrook Station under both normal and off-normal conditions.

In a letter from PSNH dated April 9, 1991, Figure 1-A, "Corporate Interrelationships," describes the basic corporate relationships between Seabrook and parties providing support for the operation of the station. The licensee states that service agreements will govern the services provided to NAESCO by NU, NU subsidiaries, YAEC, and PSNH. These agreements will be at NAESCO's request and discretion and will be directed and controlled by NAESCO. Therefore, the staff concludes that the proposed managing agent, NAESCO, has an acceptable methodology for providing integrated support for the operation of Seabrook Station.

In the letter dated April 9, 1991, PSNH has described the lines of authority, communication, and control that will exist between North Atlantic Energy Services Company, Yankee Atomic Electric Company, and the operational units of Northeast Utilities related to management, operation, and technical support for the operation of Seabrook Station. The terms of the Managing Agent Operating Agreement for Seabrook described in the April 1991 letter provide NAESCO with complete responsibility for management and operation of Seabrook Station. Upon NRC approval of the transfer to NAESCO of the authority to operate Seabrook, this subsidiary of NU would be in charge of the day-to-day operations at Seabrook subject to the oversight provided by the Seabrook Joint Owners (JO) through committees established by these agreements among the co-owners of Seabrook. The Operator (NAESCO) is to have complete and ultimate responsibility for day-to-day management of Seabrook and the obligation to assure compliance with NRC requirements. The Operator is to select, employ and train the Seabrook staff, plan for and procure nuclear fuel for use at Seabrook, purchase Seabrook's materials and supplies and take other actions to operate Seabrook. NAESCO is also to initiate requests for service agreements for operational and technical support with other interested parties and to direct and control the activities governed by those agreements. However, the selection of the Seabrook senior site official, the incentive compensation program and significant governmental and public affairs policies are subject to the approval, by a majority vote on an ownership share basis, of all the Seabrook owners.

An Executive Committee of the JO has "general oversight responsibility for the policymaking, planning, financial, legal, material litigation and significant operational decisions related to Seabrook which do not involve the day-to-day operations of the plant." The Executive Committee also has budgetary functions. The Executive Committee has 5 members, only one of whom can be employed by NU companies. This Executive Committee selects an Oversight Committee of no more than five persons which "shall be comprised of individuals with substantial experience in the operation and oversight of

commercial nuclear power facilities." This Oversight Committee reports to the group of JO members who are not affiliated with the Operator (NAESCO), i.e. all Seabrook owners except NAEC and Connecticut Power and Light.

NAESCO is to meet with the Executive Committee of the JO at least quarterly and report on operations at Seabrook including the plant's operations, shutdowns, capital expenditure, regulatory violations, enforcement actions, and significant industry concerns. In addition, NAESCO is to distribute in a timely manner SALP and INPO reports, more serious NRC violation reports, etc., to the JO Executive Committee.

On April 3, 1992, the Commission was briefed in closed session by the Office of Investigations (OI) on the status of their investigations into allegations of intimidation and harassment at NU, and by the NRC Special Review Group (SRG) about the findings of their review of documentation regarding the reporting of employee concerns at NU and Millstone. After hearing these briefings and reviewing the SRG report, the staff determined it would consider these findings in its review of the license amendment application to transfer managing authority to NAESCO.

As a result of its review, the SRG concluded "that an atmosphere that encouraged the reporting of quality deficiencies or safety concerns [at NU's Millstone facility] was lacking in many respects," and that there were "significant weaknesses with respect to the process for the reporting of safety concerns." However, the SRG also concluded that this atmosphere "did not have an overall 'chilling effect' on the willingness of employees to report concerns." The problems were perceived by the employees at Millstone to be caused by management not acknowledging their own responsibility and an overemphasis on cost containment. Other findings of the SRG related to internal management problems at Millstone.

In its two years of operation, the current Seabrook organization has not experienced more than isolated instances involving allegations of harassment and intimidation, employee reporting problems or adverse impacts attributable to cost-containment measures; overall, the licensee has demonstrated good performance from a safety standpoint. Further, notwithstanding the proposed changes in ownership and management, the existing site operating staff and management will be maintained. The proposed changes do, however, entail a substantial change in corporate management. For this reason, adequate oversight of facility performance during the transition period will be important.

The substantial oversight of NAESCO's operation of the Seabrook facility by owners not affiliated with NU provides important assurance that the transition of operation of the Seabrook facility from New Hampshire Yankee Division of PSNH to the NAESCO subsidiary of NU will not have an adverse effect on safety of operation of Seabrook. To monitor this transition, NRC has added certain license conditions applicable for a period of three years calling for NRC to be informed of particular issues. Specifically, NRC will require that it be informed of: any change in the senior site official; reports to the Joint

Owners from the Oversight Committee, the licensee, or contractors or consultants, including those that relate to employee discrimination or indications of conditions potentially adverse to safety (such reports will provide NRC with an early opportunity to assure that plant operations do not in fact become adversely affected); any substantive programmatic or procedural change to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; any change in the incentive compensation programs which could have potentially adverse effects on safety; and any changes to the annual operating and maintenance budget and to the capital expenditure budget. The staff will further require that any oversight reports will be followed by a report from the Operator (NAESCO) to NRC assessing the oversight report and indicating planned corrective action. The Operator's report will be reviewed and assessed by the Joint Owners which will also report to NRC its corrective actions and disposition of the Operator's report. Further, to assure that NRC is aware of significant changes in the oversight functions, NRC will require that for a limited time NRC be informed of changes to certain sections of the agreements among the owners relating to the oversight function of the Executive Committee and the Oversight Committee. These sections are: Sections 3.c, 7.a, 7.e, 8, 10, 11 and 16.b as described in Appendix 1 of the Settlement Agreement dated as of July 19, 1990 between Northeast Utilities Service Company and New England Power Company.

In evaluating the request to transfer the operations management and partial ownership of Seabrook to NU, the staff also considered the recent operational performance of NU's Millstone Station. The staff has been concerned with the decline in performance at the Millstone station over the past several years. NRC concerns in the areas of procedure adherence, attention to detail, and the resolution of employee concerns were highlighted in the SALP report issued in March 1991 and again in the SALP report issued in May, 1992.

During a May 11, 1992 open Commission meeting on the proposed transfer, the NRC requested that NU management provide written commitments that adequate resources to ensure nuclear safety would be provided for the Seabrook, Millstone and Haddam Neck Stations, including those resources necessary to fully implement planned improvements being developed in the NU Performance Enhancement Program (PEP).

On May 13, 1992, NU provided two letters containing commitments regarding the allocation of resources to the nuclear stations. The staff reviewed the NU letters and believes that they are responsive to NRC's request, and indicate that the resources to be applied to improving the safety performance at NU's Connecticut plants will not be reduced until the NRC staff is apprised on a timely basis, of those projected changes and the reasons for those changes. The staff will use these budget plans in monitoring performance at the current NU facilities, including the development and implementation of the PEP. Budget information for Seabrook will be used as a baseline in reviewing any changes to the annual budgets which are to be provided to the staff in accordance with the new license conditions.

The staff will continue monitoring operating practices, resource utilization, management and personnel staffing activities at Seabrook Station after NAESCO assumes the responsibilities of managing agent.

Acceptance of this change in managing agent is based on the proposed managing agent, NAESCO, being technically qualified to operate the plant and having the necessary managerial and technical resources to provide assistance to the plant staff during normal and off-normal conditions, and in the event of an emergency.

Based on its review of information given in the request to amend the operating license for Seabrook Station, Unit No. 1 and the response to the request for additional information, the staff has determined that:

- (1) The corporate and plant organizational structure and functions for operation and technical support of Seabrook Station are acceptable.
- (2) The organizational structure described in the amendment request provides for the integrated management of activities that support the operations of Seabrook Station.
- (3) The management controls, lines of authority, and channels of communication between the organizational units involved in the management, operation, and technical support for Seabrook Station are acceptable.

These findings support the staff's determination that the proposed managing agent, NAESCO, will have the necessary managerial and technical resources to provide assistance to Seabrook Station staff during normal and off-normal conditions, including an emergency, as specified in Standard Review Plan (SRP) Section 13.1.1 of NUREG-0800. Moreover, since all NHY employees will become NAESCO employees, the staff concludes that the operating organization is acceptable as specified in SRP Section 13.1.2-13.1.3.

Financial Considerations

In its November 13, 1990, amendment proposal, the licensee stated that this amendment proposal does not in any way alter the status quo with respect to the licensees' ability to obtain the funds necessary to cover all costs for the operation, construction, maintenance, repair, decontamination and decommissioning of Seabrook. Each licensee remains liable for such costs under the Joint Ownership Agreement. NAESCO, as managing agent, will perform certain functions on behalf of the licensees. These costs will continue to be borne by the Joint Owners and NAESCO will be compensated by them for all expenses incurred.

Antitrust

Since NAESCO will not acquire any ownership interest in Seabrook or the energy provided by Seabrook, and will have no role in the marketing of such energy, this proposed amendment raises no issue with respect to antitrust considerations.

Restricted Data

The application for amendment does not contain any Restricted Data or other defense information, and PSNH has stated that it is not expected that any such information will become involved in the licensed activities. However, PSNH has committed, and NAESCO agrees, that, should such information become involved, it will safeguard any such information and limit access to it until the Office of Personnel Management can investigate, report to the NRC, and NRC approve or disapprove access of individuals to Restricted Data. The staff finds this to be acceptable and in accordance with the requirements of 10 CFR 50.37.

Offsite Power

In its application for amendment, PSNH has stated there will be no change in the arrangements to provide offsite power to the plant as a result of the change in operational control requested by the application. The staff finds this to be acceptable.

Other Areas

In other technical areas, such as emergency planning, training, quality assurance, security (including the exclusion areas), and others, the licensee has stated that NAESCO management will manage, operate and maintain Seabrook in accordance with the conditions and requirements established by the NRC with respect to Seabrook and with the same regard for public and personnel safety as heretofore exemplified by NHY. PSNH has also made a commitment that, except for administrative changes to reflect the role of NAESCO, the commitments in the Seabrook Quality Assurance Program, the Seabrook Emergency Plan, Security Plan, and Training Program will be unaffected, and that this license amendment will not change any of the licensee's regulatory commitments to the NRC. The staff finds this to be acceptable.

License Conditions

(a) Administrative Changes

Throughout the license, license conditions and other statements are proposed to be modified to reflect NAESCO as a new licensee and the operator/managing agent for all licensees. These administrative changes, necessary to effect the transfer of operating authority, are acceptable.

(b) Marketing of Energy

A new license condition (2.I) relating to the marketing of energy will be included in the license. This condition results from the NRC staff's request, dated December 26, 1990, for a commitment from the licensee that NAESCO would not participate in the marketing or brokering of energy. Such a commitment was provided on January 15, 1991, in a supplement to the application. The new license condition states:

NAESCO is prohibited from marketing or brokering power or energy from the plant. In addition, all licensees other than NAESCO are responsible and accountable for the actions of their agent to the extent said agent's actions effect the marketing or brokering of power and energy from Seabrook Station, Unit 1.

(c) Transfer of Managing Authority

The new license conditions 2.C.(4)(a), (b), (c) and (d) are stated below.

- (a) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, at least 60 days in advance, of any change in the senior site official for the Seabrook facility, or in the principal duties of such official, unless such change is due to unforeseen circumstances. In such circumstances, the licensee shall inform the Director, NRR, of such change as soon as it can reasonably do so.
- (b) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the Joint Owners shall provide to the Director, NRR, promptly any report of the Oversight Committee or any report of the Operator or of any contractor or consultant which has been provided to the Joint Owners relating to: plant design, equipment or personnel performance or plant operations that could have potentially adverse effects on facility safety; any substantive programmatic or procedural changes to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; changes to any compensation incentive program which could have potentially adverse effects on facility safety; and any changes to the annual operations and maintenance and capital expenditure budgets. These reporting requirements are in addition to other requirements of NRC regulations.
- (c) The oversight reports in 2.C.(4)(b) shall be followed promptly by a report to the Director, NRR, by the Operator, reflecting the Operator's assessment of such report and proposed corrective action, if any. Submission of the Operator's assessment and

proposed corrective action shall not delay submission of the report called for by license condition 2.C.(4)(b). A review and assessment of the Operator's report by the Joint Owners shall be provided to the Director, NRR, together with any corrective actions and disposition of the Operator's report.

- (d) For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, of any changes to certain sections of the Joint Ownership Agreement and the Managing Agent Operating Agreement. These sections are: Sections 3.c, 7.a, 7.e, 8, 10, 11 and 16.b, as described in Appendix 1 of the Settlement Agreement Dated as of July 19, 1990 Between Northeast Utilities Service Company and New England Power Company.

4.0 FINAL NO SIGNIFICANT HAZARDS CONSIDERATION

The licensee's request for this amendment to the operating license for the Seabrook Station, including a proposed determination by the staff of no significant hazards consideration, was noticed in the Federal Register on March 6, 1991 (56 FR 9384). The Commission's regulations in 10 CFR 50.92(c) include three standards used by the NRC staff to arrive at a determination that a request for amendment involves no significant hazards considerations. These regulations state that the Commission may make such a final determination if operation of a facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety.

In its submittal, the licensee has evaluated the proposed change in accordance with the standards of 10 CFR 50.92(c) and has determined that operation of the Seabrook Station in accordance with the proposed amendment would not:

1. Involve a significant increase in the probability or consequences of any accident previously evaluated. The technical qualifications of NHY, the NU system companies and Yankee Atomic Electric Company (YAEC) have already been approved by the NRC. There will be no changes that would adversely affect the NRC's conclusions on the technical qualifications of the Seabrook management, operating or maintenance organizations as documented in the Seabrook Safety Evaluation Report as supplemented.

Further, as a result of the proposed license amendment, there will be no physical changes to the Seabrook facility and all Limiting Conditions for Operation, Limiting Safety System Settings, and Safety Limits specified in the Technical Specifications will remain unchanged. Additionally, with the exception of revising the license to reflect the role of NAESCO, the commitments in the Seabrook Quality Assurance Program, and the Seabrook Emergency Plan, Security Plan, and Training Program will be unaffected. Moreover, the license amendment will not result in any changes to NHY's regulatory commitments to the NRC.

2. Create the possibility of a new or different kind of accident from any accident previously evaluated. The Seabrook design and design bases will remain the same. The current plant safety analyses will therefore remain complete and accurate in addressing the licensing basis events and in analyzing plant response and consequences.

The Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits for Seabrook are not affected by the proposed license amendment. With the exception of changes to reflect the role of NAESCO, plant procedures will be unaffected. As such, the plant conditions for which the design basis accident analyses have been performed will remain valid. Therefore, the proposed license amendment cannot create the possibility of a new or different kind of accident than previously evaluated.

3. Involve a reduction in a margin of safety. Plant safety margins are established thorough Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications. Since there will be no change to the physical design or operation of the plant, there will be no change to any of these margins. Thus, the proposed license amendment will not involve a reduction in a margin of safety.

On April 1, 1991, Seabrook Anti-Pollution League (SAPL) filed an intervention petition which contests the ownership transfer from PSNH to the North Atlantic Energy Company (NAEC). That petition was dismissed because SAPL had not shown standing to intervene concerning the transfer of ownership since it did not show the alleged harm would abate if it were granted relief in regard to the ownership transfer amendment. See Public Service Co. of New Hampshire (Seabrook Station, Unit 1), CLI-91-14, 34 NRC 261, 267-68 (1991). The SAPL petition raised the issue of possible NU intimidation and harassment of several employees at the Millstone Nuclear Power Plant for reporting possible

violations of regulations to the NRC. The petition indicated that this management attitude could lead to an increase in the hazard of the operation of Seabrook, and that NU should not be permitted to become the licensed operator of Seabrook Station. An additional concern, that NU had insufficient finances to take over the Seabrook operation safely, were presented by SAPL in a public meeting with the Commission on May 11, 1992. Those statements have been treated as comments on the staff's proposed no significant hazards determination for the license amendment herein.

The staff addressed the concerns of the petitioner in several reports to the Commission (SECY-92-099 dated April 20, 1992, SECY-92-156 dated April 29, 1992, and SECY-92-156A dated May 15, 1992). The staff met with the Commission and with NU in a public meeting on May 11, 1992. As a result of the staff's and the Commission's deliberations, the staff imposed special license conditions upon the Seabrook licensees. The special license conditions were a condition of approval of this license amendment. Those license conditions require the licensees to inform the staff of particular issues. Specifically, NRC will require that it be informed of: any change in the senior site official; reports to the Joint Owners from the Oversight Committee, the licensee, or contractors or consultants, including those that relate to employee discrimination or indications of conditions potentially adverse to safety (such reports will provide NRC with an early opportunity to assure that plant operations do not in fact become adversely affected); any substantive programmatic or procedural changes to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; any change in the incentive compensation programs which could have potentially adverse effects on safety; and any changes to the annual operating and maintenance budget and to the capital expenditure budget. The staff will further require that any oversight reports will be followed by a report from the Operator (NAESCO) to NRC assessing the oversight report and indicating planned corrective action. The Operator's report will be reviewed and assessed by the Joint Owners which will also report to NRC its corrective actions and disposition of the Operator's report. Further, to assure that NRC is aware of significant changes in the oversight functions, NRC will require that for a limited time NRC be informed of changes to certain sections of the agreements among the owners relating to the oversight function of the Executive Committee and the Oversight Committee.

In two letters dated May 13, 1992, NU committed, at NRC request, to keep the NRC apprised on a timely basis of any significant changes in the O&M and capital budgets and projections for calendar years 1992-1995, including an explanation for such changes. In addition, budget information was presented for prior years. NU assured the NRC that adequate financial resources would be provided for nuclear operations at Seabrook as well as at the Millstone and Haddam Neck facilities. Furthermore, financial commitments were made to support a significant Performance Enhancement Program at the Millstone facility. The NRC finds these commitments acceptable.

For these reasons, and those given (above) by the licensee, the staff agrees with the licensee's determination, and therefore has made a final determination that the proposed amendment does not involve a significant hazards consideration.

5.0 STATE CONSULTATION

In accordance with the Commission's regulations, the New Hampshire and Massachusetts State officials were notified of the proposed issuance of the amendment. The State officials had no comments.

6.0 ENVIRONMENTAL CONSIDERATION

Pursuant to CFR 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact was published in the Federal Register on October 28, 1991 (56 FR 55512).

In this finding, the Commission determined that issuance of this amendment will not have a significant effect on the quality of the human environment.

7.0 CONCLUSION

We have concluded, based on the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributors:
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Mary Ann Biamonte
Gordon E. Edison

Date: May 29, 1992

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
PUBLIC SERVICE CO. OF NEW HAMPSHIRE)
NORTHEAST UTILITIES) Docket No. 50-443
NORTH ATLANTIC ENERGY SERVICE CO.) (License No. NPF-86)
NORTH ATLANTIC ENERGY CO.)
)
(Seabrook Station Unit 1))

ORDER APPROVING TRANSFERS
AND NOTICE OF ISSUANCE
OF LICENSE AMENDMENTS

I.

On March 15, 1990, pursuant to 10 C.F.R. Part 50, License No. NPF-86 was issued, under which The Public Service Co. of New Hampshire (PSNH) is authorized to operate and hold a 35.6 percent ownership share in Seabrook Station, Unit 1 (Seabrook), which is located in Rockingham County, New Hampshire.

II.

On January 28, 1988, PSNH filed for bankruptcy protection from its creditors. As incident to that bankruptcy filing, a Third Amended Joint Plan of Reorganization was filed with The United States Bankruptcy Court for the District of New Hampshire on December 28, 1989, under which Northeast Utilities (NU) would acquire PSNH, including PSNH's ownership share in Seabrook, and would assume operation of

Seabrook. The acquisition would increase NU's ownership interest in Seabrook to about 39.6 percent. After approval of the plan by PSNH's shareholders, its creditors and the New Hampshire State Legislature, the Bankruptcy Court confirmed the plan and ordered its implementation on April 20, 1990.

III.

To implement the plan of reorganization, NU applied to the U.S. Nuclear Regulatory Commission (NRC) for two license amendments to license NPF-86, by two letters dated November 13, 1990, as supplemented by later filings. Under these requested license amendments the ownership share of PSNH in Seabrook would be transferred to the North Atlantic Energy Co. (NAEC), a wholly owned subsidiary of NU, and control over the operation of Seabrook would be transferred from the New Hampshire Yankee Division of PSNH to the North Atlantic Energy Service Co. (NAESCO), another wholly owned subsidiary of NU. Notice of these applications for transfers and proposed no significant hazards consideration determinations were published in the Federal Register on February 28, 1991, and March 6, 1991, respectively. 56 Fed. Reg. 8373; 56 Fed. Reg. 9384.

IV.

The transfer of rights under License No. NPF-86 is subject to the NRC's approval under 10 C.F.R. § 50.80. Based on information provided by the licensee and NU, and other information before the Commission, it is determined that the proposed transfer of the control of operations of Seabrook from PSNH to NAESCO, and the proposed transfer of ownership share of PSNH to NAEC, subject to the conditions set forth

herein, are in the public interest and are consistent with applicable provisions of law, regulations and orders issued by the Commission. These actions were evaluated by the staff as documented in Safety Evaluations, dated May 29, 1992, which contain final no significant hazards consideration determinations. The conditions of the transfers, to which the licensee has not objected, are:

- A. For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, at least 60 days in advance, of any change in the senior site official for the Seabrook facility, or in the principal duties of such official, unless such change is due to unforeseen circumstances. In such circumstances, the licensee shall inform the Director, NRR, of such change as soon as it can reasonably do so.
- B. For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the Joint Owners shall provide to the Director, NRR, promptly any report of the Oversight Committee or any report of the Operator or of any contractor or consultant which has been provided to the Joint Owners relating to: plant design, equipment or personnel performance or plant operations that could have potentially adverse effects on facility safety; any substantive programmatic or procedural changes to the employee concerns program; any allegation of employee harassment, intimidation or discrimination; changes to any compensation incentive program which could

have potentially adverse effects on facility safety; and any changes to the annual operations and maintenance and capital expenditure budgets. These reporting requirements are in addition to other requirements of NRC regulations.

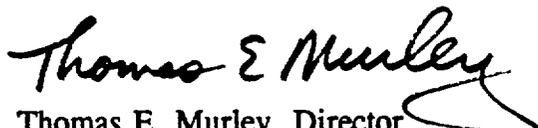
- C. The oversight reports in 2.C.(4)(b) [B. above] shall be followed promptly by a report to the Director, NRR, by the Operator, reflecting the Operator's assessment of such report and proposed corrective action, if any. Submission of the Operator's assessment and proposed corrective action shall not delay submission of the report called for by license condition 2.C.(4)(b). A review and assessment of the Operator's report by the Joint Owners shall be provided to the Director, NRR, together with any corrective actions and disposition of the Operator's report.
- D. For a period of three years from the date of issuance of the NRC license amendment approving the transfer of management authority to NAESCO, the licensee shall inform the Director, NRR, of any changes to certain sections of the Joint Ownership Agreement and the Managing Agent Operating Agreement. These sections are: Sections 3.c, 7.a, 7.e, 8, 10, 11 and 16.b, as described in Appendix 1 of the Settlement Agreement dated as of July 19, 1990 between Northeast Utilities Service Company and New England Power Company.
- E. NAESCO is prohibited from marketing or brokering power or energy from the plant. In addition, all licensees other than NAESCO are responsible and

accountable for the actions of their agent to the extent said agent's actions effect the marketing or brokering of power and energy from Seabrook Station, Unit 1.

V.

Accordingly, pursuant to Sections 103, 105, 161b, 161i, 184, and 187 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2201 et seq. and 10 C.F.R. Part 50, IT IS HEREBY ORDERED that the transfers to North Atlantic Energy Co. and North Atlantic Energy Service Co., discussed above, are approved, and NOTICE IS GIVEN that license amendments providing for the transfer of control of operation of Seabrook to NAESCO, subject to license conditions set out and herein, and the transfer of the ownership share of PSNH in Seabrook to NAEC are issued, and both amendments being subject to the further conditions that should both of these transfers not be completed by November 30, 1992, this order will be null and void, except that for good cause shown, the date upon which the transfers are to be completed may be extended for a short period beyond November 30, 1992.

FOR THE NUCLEAR REGULATORY COMMISSION


Thomas E. Murley, Director
Office of Nuclear Reactor Regulation

Dated at Rockville, Maryland
this 29th day of May 1992